

Subpart N—Bonus or Royalty Credits for Exchange of Certain Leases Offshore Florida

§ 556.90 Which leases may I exchange for a bonus or royalty credit?

You may exchange a lease for a bonus or royalty credit if it:

- (a) Was in effect on December 20, 2006, and
- (b) Is located in:
 - (1) The Eastern planning area and within 125 miles of the coastline of the State of Florida, or
 - (2) The Central planning area and within the Desoto Canyon OPD, the Destin Dome OPD, or the Pensacola OPD, and within 100 miles of the coastline of the State of Florida.

§ 556.91 How much bonus or royalty credit will BOEM grant in exchange for a lease?

The amount of the bonus or royalty credit for an exchanged lease equals the sum of:

- (a) The amount of the bonus payment; and
- (b) All rent paid for the lease as of the date the lessee submits the request to exchange the lease under § 556.92 to BOEM.

§ 556.92 What must I do to obtain a bonus or royalty credit?

(a) To obtain the bonus or royalty credit, all of the record title interest owners in the lease must submit the following to the BOEM Regional Supervisor for Leasing and Environment for the Gulf of Mexico on or before October 14, 2010.

- (1) A written request to exchange the lease for the bonus or royalty credit, signed by all record title interest owners in the lease.
- (2) The name and contact information for a person who will act as a contact for each record title interest owner.
- (3) Documentation of each record title interest owner's percentage share in the lease.
- (4) A list of all bonus and rental payments for that lease made by, or on behalf of, each of the current record title owners.
- (5) A written relinquishment of the lease as described in § 556.76. Notwith-

standing § 556.76, the relinquishment will become effective when the credit becomes effective under paragraph (b) of this section.

(b) The credit becomes effective when BOEM issues a certification to the record title interest owners that the lease has qualified for the credit and when ONRR issues the credit.

§ 556.93 How is the bonus or royalty credit allocated among multiple lease owners?

BOEM will allocate the bonus or royalty credit for an exchanged lease to the current record title interest owners in the same percentage share as each owner has in the lease as of the date of the request to exchange the lease.

§ 556.94 How may I use the bonus or royalty credit?

(a) You may use a credit issued under this part in lieu of a monetary payment due under any lease in the Gulf of Mexico not subject to the revenue distribution provisions of section 8(g)(2) of the OCSLA (43 U.S.C. 1337(g)(2)) for either:

- (1) A bonus for acquisition of an interest in a new lease; or
- (2) Royalty due on oil and gas production after October 14, 2008.

(b) You may not use a bonus or royalty credit in lieu of delivering oil or gas taken as royalty-in-kind.

(c) If you have any credit that remains unused after 5 years from the date ONRR issued the credit, ONRR reserves the right to apply the remaining credit to any of your obligations.

§ 556.95 How do I transfer a bonus or royalty credit to another person?

(a) You may transfer your bonus or royalty credit to any other person by submitting to the BOEM Adjudication Unit for the Gulf of Mexico two originally executed transfer letters of agreement.

(b) Authorized officers indicated on the qualification card filed with BOEM of all companies involved in transferring and receiving the credit must sign the transfer letters of agreement.

(c) A transfer letter of agreement must include:

- (1) The effective date of the transfer,